

Why you can't afford "low-cost" advertising

Here is a phrase we hear all the time: "We want to do some advertising, but it has to be low-cost advertising because we don't have a big budget." Our response is always the same: Why do you categorize advertising as a "cost"? A cost is something that detracts from your bottom line and, as such, is something you strive to limit or keep low.

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So let's forget about the idea of doing low-cost advertising and think instead about investing in advertising that produces a return. It's not rocket science

and it does not have to be expensive. You just have to be smart about how, when and where you spend your money, a necessary step to identify the low-risk, high return programs that have worked again and again for companies small and large.

Start by defining your USP (unique selling point) and the customers most likely to be attracted by your unique selling point. Most companies don't have this information or are unable to deliver the message in a way that attracts interest. Even marketing directors and company presidents struggle when we ask this simple question: what does your company do? Most of the answers focus entirely on the features of the product or service – information of almost no interest to the customer. The customer wants to know how they will benefit by using the product or service. Big difference.

Some executives can articulate their USP, but you couldn't find that USP in their advertising with a search warrant. As a result, the advertising doesn't work and it is fair to categorize the spending as a "cost" since it produced no return.

Now let's assume you have done your homework and are ready to go. What do you do first? Pick the low-hanging fruit. Put more technically, go after the customers whom you can reach at least cost and who are most likely to buy. Who are they? Your existing customers. And, please, don't make the deadly mistake of assuming your customers are buying everything they could buy. We have had significant success with companies by simply focusing on expanding their sales to existing customers.

Next, define the prospects that are most likely to buy. This is based on the simple, but vital, idea that all prospects are not the same. Some can be reached at less cost than others. Some are more likely to buy than others. Some are likely to buy in the near future. You need to figure this out to lower the risk level of the spending and raise the return.

What about the actual ad? It needs to be based on all the above – and it needs to be good enough to stand out among the hundreds and hundreds of advertising messages the average person sees every day. In short, it needs to be assembled by a pro. Which brings us to one last tip. You can choose to categorize the fee charged by the pro as a cost and do everything possible to limit or eliminate that cost. You can even pretend that you are smarter than big-time advertisers like Nike and Microsoft because you don't "waste" money on advertising.

Or you can see the pro as a partner that helps you maximize your investment in advertising and marketing. But there will be one drawback. Chances are you will have to move into bigger offices in the near future. **MB**

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